



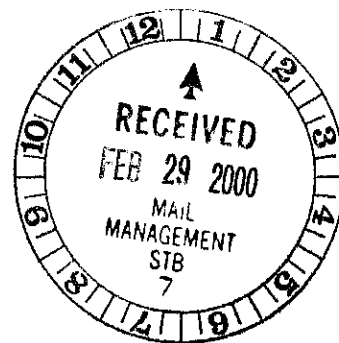
FORMOSA PLASTICS CORPORATION, U.S.A.

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February 28, 2000

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423

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Re: Ex Parte No. 582, Public Views on Major Rail Consolidation

Dear Secretary Williams:

This letter comprises the written comments of Formosa Plastics Corporation, U.S.A ("FPC USA"), and is being submitted in response to the Board's Decision of January 24, 2000.

FPC USA is vertically integrated plastics manufacturer whose core business is the production and processing of commodity chemicals and plastic resins. FPC USA has two chemical manufacturing subsidiaries that are over 85% dependent on rail service to ship products to customers. These facilities are located in Baton Rouge, Louisiana (FPC LA) and Point Comfort, Texas (FPC TX). FPC LA produces caustic soda (NaOH), chlorine, ethylene dichloride (EDC), vinyl chloride monomer (VCM), and suspension PVC. FPC TX produces chlorine, caustic soda, polypropylene (PP), ethylene glycol (EG), high-density polyethylene (HDPE), and linear low-density polyethylene (LLDPE) and PVC.

The current total polymer (plastics) production is 2,085,552 tons per annum.

Additionally, we have two new grass root facilities in Point Comfort, TX that are scheduled to commence operation in October 2000 and April 2001 respectively, which will bring our total polymer (plastics) production to an annualized quantity of 3,013,296 tons.

Our chemical operations account for 3,114,120 tons per year, which is in addition to the above referenced quantities. The Board's decision of January 24, 2000 postulates that the announced consolidation between Burlington Northern, Santa Fe and Canadian National may lead to further consolidations in the North American rail industry, and seek comments on the consequence of such happening, as well as on the question of whether the timing of any such consolidations is a relative consideration.



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FPC DE FM 35692, EMS 36139 • FPC LA FM 31430, EMS 36149 • FPC TX FM 31429, EMS 35710



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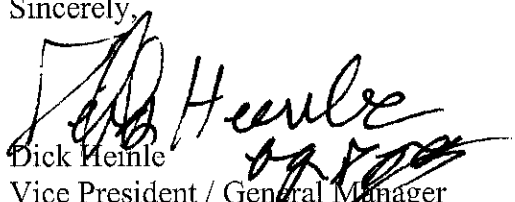
The March hearing in Ex Parte 582 provides a good opportunity for the Board to address the kind of evidence it should consider, in reference to BNSF/CN to submit in the application when the Board evaluates the BNSF/CN proposal.

FPC USA does not know what rail consolidation, if any, will follow a BNSF-CN amalgamation. If there are to be further consolidations that involve the remaining Class 1 railroads, then we believe that such steps would be premature, given the current inability of the eastern carriers to provide full adequate service following their acquisition of Conrail.

My company has experienced the effects of the disruptions caused by rail mergers over the past five years, including the merger of Burlington Northern and Santa Fe, the Union Pacific's acquisition of Southern Pacific, and last year's acquisition of Conrail by Norfolk Southern and CSX. Union Pacific's most recent acquisition that of Southern Pacific was followed by severe breakdown in service, as the Board itself knows. Last year's acquisition of Conrail by Norfolk Southern and CSX was also followed by severe breakdowns, which have not yet been restored to service levels experienced of the pre-acquisition. Both of these post-mergers have proven to be extremely costly to my company and our customers in both service and financial disruptions.

Therefore, inasmuch as FPC USA regards competition as a necessary and desirable goal of the railroad industry, we must also request the Board to give serious consideration of further mergers and evaluate long-term support to the shipper community.

Sincerely,


Dick Heinle
Vice President / General Manager
Vinyl Division

DH:lc